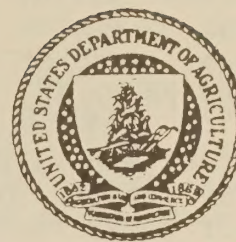
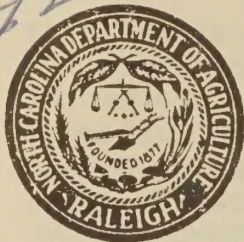


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NORTH CAROLINA



COOPERATIVE CROP REPORTING SERVICE



No. 217

RALEIGH, N. C.

OCTOBER 12, 1956

**N. C. PRICES RECEIVED
INDEX UP 2 POINTS
LIVESTOCK AND LIVESTOCK
PRODUCTS INDEX DOWN 1 PERCENT**

The Index of Prices Received by North Carolina Farmers rose 2 points during the month ending in mid-September. Higher prices received by farmers for tobacco, cotton, and milk were primarily responsible for the in-

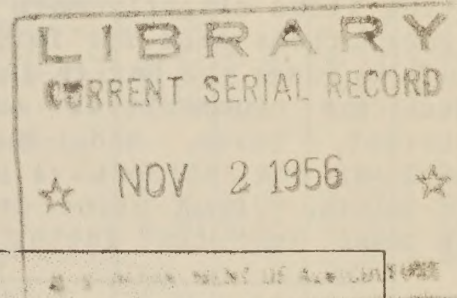
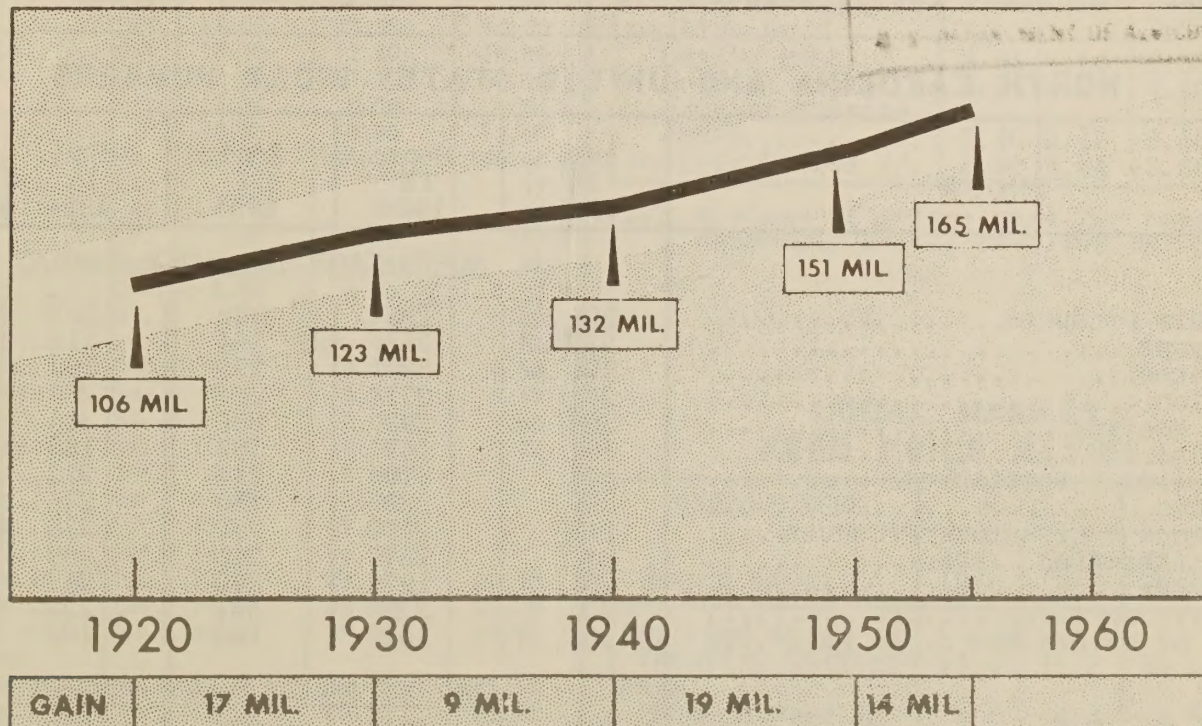
(Continued on Page 2)

**U. S. PRICES RECEIVED AND PAID
BOTH DOWN 1 POINT
PARITY RATIO UNCHANGED**

The Index of Prices Received by Farmers declined nearly one-half percent (1 point) during the month ended September 15. Continued sharp declines in prices received for most commercial vegetables and potatoes and lower prices for meat animals were

(Continued on Page 2)

**Population Growth Adding Over
2 Million Consumers a Year**



N. C. PRICES (Continued)

crease during the month. The index of 293 compares with an index of 289 a year earlier and an index of 288 on September 15, 1954.

A decline of 2 points in the Livestock and Livestock Products Index was due mostly to lower prices received for hogs, chickens, broilers, and turkeys. However, this decline was offset to some extent by slightly higher prices received for beef cattle, veal calves, lambs, butterfat and wholesale milk.

The ratio of Prices Received by North Carolina Farmers to Prices Paid by U. S. Farmers at 102 was 1 point above August 15, 1956.

U. S. PRICES (Continued)

nearly offset by higher prices received for fruit, cotton, and dairy products. The September index at 236 percent of its 1910-14 average compared with 237 in August and with 235 in September 1955.

Declining retail prices of family living items slightly more than offset higher prices paid for farm production goods to lower the Parity Index (Prices Paid for Commodities and Services, Interest, Taxes, and Wage Rates) a third of one percent (1 point) during the month. Food price declines were the most important factor responsible

for the downturn in the Index. At 287, the mid-September Index was 3 percent higher than a year earlier.

The decline in the Parity Index kept pace with that in prices received for farm products during the month, leaving the Parity Ratio unchanged at 82. The Parity Ratio was about 2 percent lower than in September 1955.

AGRICULTURAL PRICES

U. S. HOG SLAUGHTER ON SEASONAL RISE; PRICE UP

Slaughter of hogs will rise seasonally throughout fall months. In early August the slaughter rate was still above last year's. Marketings are shifting rapidly from hogs from the fall pig crop to those from the spring crop. As the 8 percent reduction in the spring crop came in middle and late months of the season, the slaughter rate will likely hold close to last year in early weeks of the fall, then drop farther below.

Prices of hogs advanced to a late-May high, receded, then strengthened again in early August. Prices in early August this year were about equal to those of the same period last year.

Prices this fall will decline seasonally but not as much as last fall. They are expected to be higher than last year, and definitely to stay well above the low of last December.

The LIVESTOCK and MEAT SITUATION

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS

INDEX	Aug. 15 1956	Sept. 15 1956	Sept. 15 1955	Sept. 15 1954	Sept. 15 1953
<i>NORTH CAROLINA INDEX NUMBERS</i>					
All Farm Products.....	291 //	293	289	288	310
All Crops.....	312 //	315	304	316	323
Tobacco.....	378 //	389	375	391	409
Cotton.....	264	271	284	293	277
Oil Bearing.....	300	298	306	315	290
Grains.....	161	157	165	183	180
Commercial Vegetables.....	442	370	214	242	263
Fruits.....	269	269	350	276	263
Livestock & Livestock Products.....	218	216	237	235	265
Meat Animals.....	242	237	241	269	308
Poultry.....	201	197	240	217	263
Dairy.....	225	229	231	232	232
Ratio of Prices Rec'd. to Paid*....	101	102	104	103	112
<i>UNITED STATES INDEX NUMBERS</i>					
Prices Received.....	237	236	235	246	256
Prices Paid, Int., Taxes & Wage Rates.....	288	287	279	280	277
Parity Ratio.....	82	82	84	88	92

* Ratio of N. C. Prices received to U. S. Prices paid.

// Revised

N. C. FEED PRICES LOWER OR UNCHANGED

Average prices paid by North Carolina farmers for most feed items, with the exception of corn meal, were lower or unchanged during the month ended September 15. Prices paid for 16 and 18 percent protein dairy feeds were 5 cents per hundred below August. The higher protein dairy feeds and all poultry feeds remained on the same level as the previous month.

PRICES RECEIVED BY FARMERS

COMMODITY	UNIT	N. C.		U. S.
		AUG. 15 1956	SEPT. 15 1956	SEPT. 15 1956
DOLLARS				
TOBACCO.....	LBS.	.530	.535	.534
CORN.....	BU.	1.46	1.39	1.43
WHEAT.....	BU.	1.92	1.92	1.95
OATS.....	BU.	.68	.74	.681
BARLEY.....	BU.	1.01	1.03	.959
RYE.....	BU.	1.75	1.78	1.20
SORGHUM GRAINS...	CWT.	2.15	1.95	2.03
SOYBEANS.....	BU.	2.25	2.18	2.07
PEANUTS.....	LB.	.130	.129	.115
COTTON.....	LB.	.320	.328	.325
COTTONSEED.....	TON	40.00	41.00	47.60
WOOL.....	LB.	.47	.45	.412
HOGS.....	CWT.	16.60	15.90	15.50
BEEF CATTLE.....	CWT.	12.40	12.80	16.20
VEAL CALVES.....	CWT.	17.00	17.30	16.30
SHEEP.....	CWT.	5.00	5.00	5.24
LAMBS.....	CWT.	18.50	18.60	18.60
MILK COWS.....	HD.	105.00	100.00	156.00
CHICKENS, ALL....	LB.	.180	.170	.172
COM'L, BROILERS..	LB.	.180	.170	.183
TURKEYS.....	LB.	.32	.29	.270
EGGS.....	DOZ.	.450	.452	.386
MILK, WHLSE. <u>1/</u> ...	CWT.	5.20	5.40 <u>2/</u>	4.30
RETAIL <u>3/</u>	QT.	.215	.210	.211
BUTTERFAT.....	LB.	.47	.48	.582
POTATOES.....	CWT.	4.60	3.25	1.66
SWEETPOTATOES...	BU.	5.35	5.25	3.47
APPLES, COM'L....	BU.	-	2.00	2.66
LESPEDEZA SEED...	CWT.	10.00	10.00	8.47
KOREAN.....	CWT.	8.80	8.80	-
KOBE.....	CWT.	11.30	11.30	-
COM & TENN.....	CWT.	17.00	17.00	-
SERICEA.....	CWT.	14.70	14.70	-
HAY, ALL BALED <u>4/</u>	TON	28.90	29.50	20.70
ALFALFA HAY.....	TON	35.80	35.80	21.20
LESPEDEZA HAY...	TON	30.80	31.30	22.10
SOYBEAN AND				
COWPEA HAY.....	TON	30.20	29.00	28.10
PEANUT VINE.....	TON	20.70	20.50	22.90
OTHER.....	TON	27.00	28.50	-

1/ Estimated average prices for the month for all milk sold at wholesale to plants and dealers.

2/ Preliminary.

3/ Sold by farmers direct to consumers.

4/ The all hay price is the weighted average of separate kinds including an allowance for minor kinds.

High protein feeds were costing farmers 5 to 10 cents per hundred below the average prices paid in August.

Corn meal at \$4.15 per hundred was the only feed which showed an increase.

FEED PRICES PAID BY FARMERS

FEED PER HUNDREDWEIGHT	N. C.		U. S.	
	Aug. 15 1956	Sept. 15 1956	Aug. 15 1956	Sept. 15 1956
<i>DOLLARS</i>				
Mixed Dairy Feed				
Under 29% Protein				
All.....	3.85	3.80	3.71	3.72
16% Protein.....	3.70	3.65	3.65	3.66
18% Protein.....	3.85	3.80	3.66	3.68
20% Protein.....	4.05	4.05	3.89	3.89
24% Protein.....	4.05	4.05	4.04	4.04
29% & Over.....	4.55	4.55	4.37	4.35
High Protein Feeds				
Linseed Meal....	-	-	4.19	4.17
Soybean Meal....	4.25	4.20	4.13	4.04
Cottonseed Meal.	3.60	3.50	3.88	3.84
Meat Scrap.....	4.90	4.85	4.87	4.99
Grain By-products				
Bran.....	3.35	3.35	2.94	2.90
Middlings.....	3.65	3.60	3.17	3.09
Corn Meal.....	4.00	4.15	3.75	3.76
Corn Gluten.....	-	-	3.31	3.30
Poultry Feed				
Laying Mash....	4.85	4.85	4.57	4.55
Scratch Grain...	4.25	4.25	4.19	4.18
Broiler Growing				
Mash.....	5.10	5.10	5.10	5.05
Poultry Ration <u>1/</u> .	3.96	3.94	3.66	3.65

1/ Average of prices paid for commercial feeds and prices received for grain.

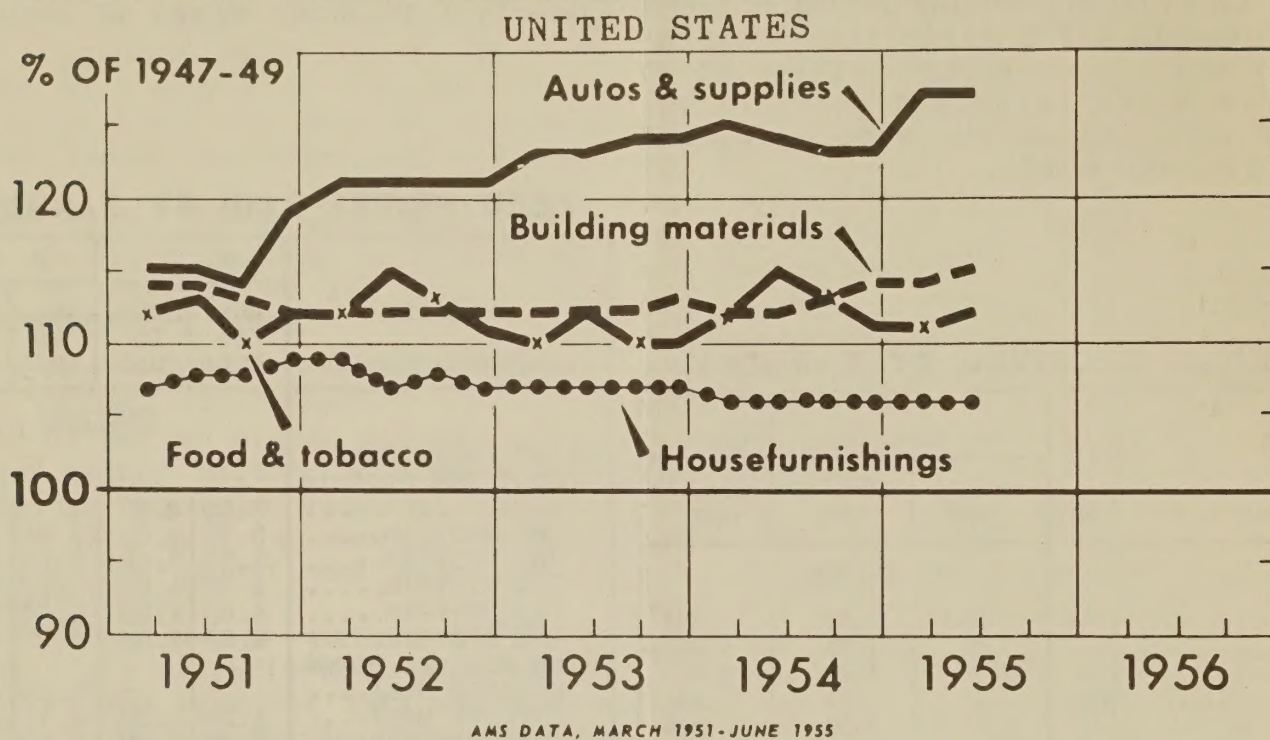
LOCAL MARKET FEED PRICE RATIOS

POULTRY FEED	N. C.		U. S.	
	Aug. 1956	Sept. 1956	Aug. 1956	Sept. 1956
PRICE RATIO <u>1/</u>				
Egg Feed				
(Poultry Ration)	11.4	11.5	10.1	10.6
Farm				
Chicken Feed <u>2/</u>	4.5	4.4	4.4	4.0
Broiler Feed				
(Broiler Mash)	3.5	3.3	3.8	3.6
Turkey Feed <u>2/</u>	8.1	7.4	7.8	7.4

1/ Pounds of feed equal in value to one dozen eggs, one pound farm chickens, one pound broilers and one pound turkeys.

2/ Poultry ration.

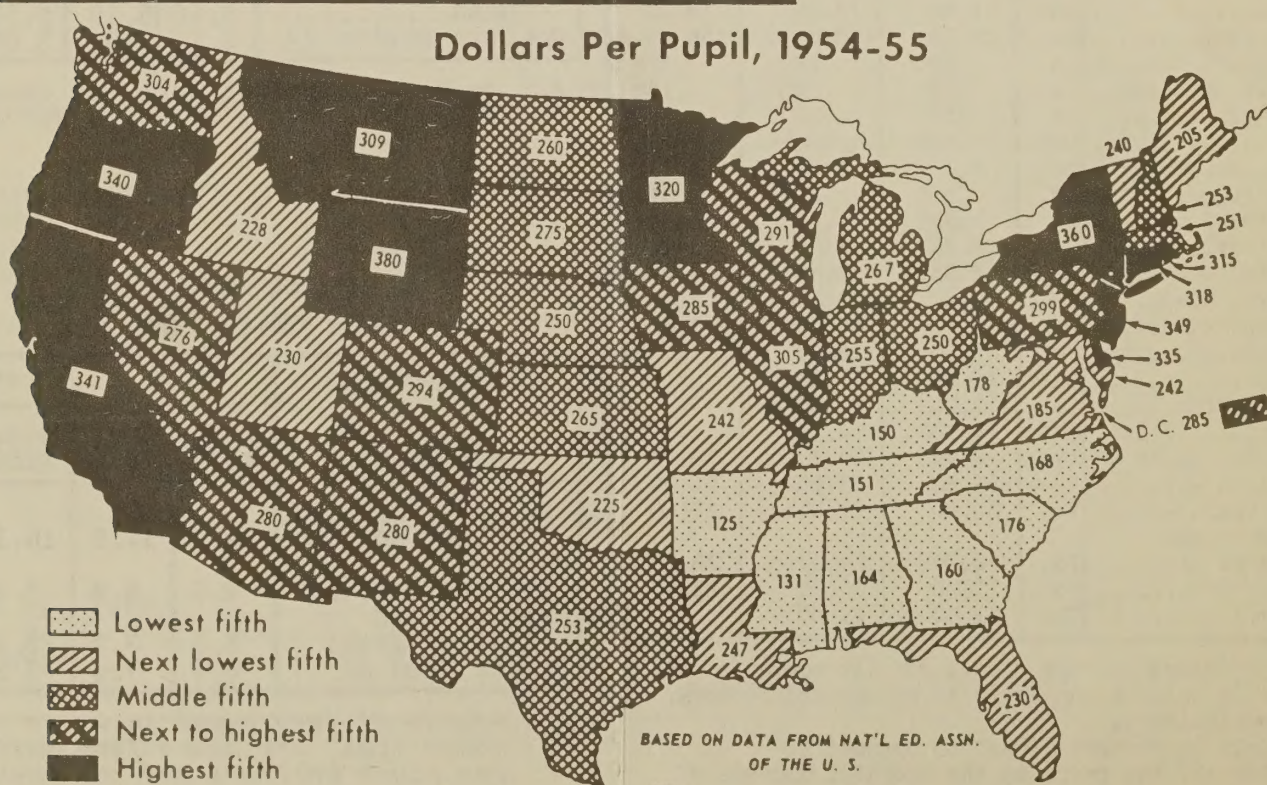
Prices Paid by Farmers for Selected Items Used in Family Living



U. S. DEPARTMENT OF AGRICULTURE

NEG. 55 (9)-303 AGRICULTURAL RESEARCH SERVICE

School Expenditures Per Pupil Low in Many Farm States



U. S. DEPARTMENT OF AGRICULTURE

NEG. 1849-55 (11) AGRICULTURAL MARKETING SERVICE

U. S. FARM INCOME

Farmers received about 17.1 billion dollars from marketings in the first 8 months of 1956, 2 percent more than in the corresponding period of 1955. An increase in the volume of marketings so far this year has more than offset a 2-percent decline in average prices. Receipts from livestock and products were approximately 10.4 billion dollars, slightly above last year as larger receipts from milk and eggs more than offset smaller receipts from cattle and hogs. Crop receipts of 6.7 billion dollars were up 3 percent from 1955. Receipts from cotton, fruits and vegetables were larger than last year, but receipts from soybeans and tobacco were down.

Cash receipts from farm marketings in August are tentatively estimated at 2.6 billion dollars, up only slightly from August 1955. Receipts from livestock and products were about 1.4 billion dollars and crop receipts were 1.2 billion.

The DEMAND and PRICE SITUATION

U. S. PRICES OF MILK COWS NOW HIGHER THAN A YEAR EARLIER

The average price received by farmers for milk cows has increased generally since last winter and in the last three months has been the highest since early 1954. In August, the average price per cow for the U. S. was \$155 per head compared with \$147 a year earlier. This increase has occurred without any advance in the carcass value of dairy animals. Undoubtedly, a small part of the increase is the result of some improvement in quality of the animals for milk producing purposes. Probably of greater importance, however, is the improved relationship between prices received by farmers for dairy products and the costs of most items used in milk production.

The DAIRY SITUATION

N. C. ICE CREAM PRODUCTION DECLINES

Ice cream production in North Carolina during 1955 totaled 13,817,000 gallons. This represents a decline of 2.9 percent from 1954 production of 14,224,000 gallons.

The decline in ice cream production was more than off-set by an increase in ice milk production. Production of 4,891,000 gallons if ice milk during

1955 exceeded the 1954 output of 3,871,000 gallons by 26.3 percent. This is the third consecutive year in which ice milk production has shown a sizable gain. Production during 1953 totaled 2,975,000 gallons.

Sherbet milk production has increased each year since 1950, with total production of 681,000 gallons during 1955 exceeding the 1954 output of 659,000 gallons by 3.3 percent.

Creamery butter production for 1955 totaled 1,949,000 pounds. This is 24.5 percent below 1954 production of 2,582,000 pounds.

COMMODITY HIGHLIGHTS

Prices received by farmers for milk are increasing seasonally and are likely to continue above a year earlier through the rest of 1956.

Egg prices this fall will probably be below a year ago. Production is now rising seasonally, and the number of layers on farms on September 1 was 3 percent larger than last year.

Supplies of food fats in the marketing year beginning October 1 will be about as large as in the previous one. Prices received for 1956 crop cottonseed probably will average above the average price received for last year's crop. The 1956 soybean output is estimated to be a fourth larger than last year's.

While corn prices are expected to decline as the 1956 crop is harvested, the general level of feed grain prices probably will average a little higher this fall and winter than a year earlier.

An increase in the prospective spring wheat crop during August puts estimated total wheat output at about 3 percent above 1955 but still substantially below average.

Total production of deciduous fruits in 1956 is expected to be about 2 percent smaller than in 1955. Prospective production of tree nuts is up about 6 percent from 1955.

Prices received by growers of fresh vegetables for the fall market probably will average a little lower than last year.

The DEMAND and PRICE SITUATION

N. C. COMMERCIAL SLAUGHTER UP 9.2 PERCENT

Commercial slaughter of livestock in North Carolina during August totaled 24,901,000 pounds -- 10.9 percent above July but 1.0 percent below August 1955. The total liveweight of each species slaughtered during August exceeded that for July. The number of head slaughtered during August exceeded July by 11.0 percent.

The total liveweight of all species slaughtered from January through August amounted to 192,761,000 pounds compared with 186,345,000 during the same period last year. This is an increase of 10.3 percent.

UNITED STATES

Red meat production in commercial slaughter plants totaled 2,135 million pounds during August. Output was 3 percent above the 2,079 million pounds produced in July but 1 percent below the 2,158 million pounds produced in August 1955.

Meat production during the first 8 months of this year totaled 17,453 million pounds, 8 percent more than the 16,089 million pounds produced during the corresponding period a year ago. Lard output for the January-August period totaled 1,687 million pounds, 13 percent above the corresponding period a year earlier.

August beef production totaled 1,202 million pounds, 3 million pounds above the July output of 1,199 million pounds but 2 percent less than August last year. The number of cattle slaughtered in August was estimated at 2,373,700 head, 4 percent above the July estimate of 2,291,200 but 2 percent less than the August 1955 estimate of 2,417,400 head.

The number of calves slaughtered in August, estimated at 1,110,500 head, was 13 percent greater than the 981,600 head slaughtered in July and 1 percent greater than the 1,094,100 head slaughtered in August a year ago. Veal production for

(Continued on Page 7)

NORTH CAROLINA AND U. S. LIVESTOCK SLAUGHTER*

Species	AUGUST				JANUARY THRU AUGUST			
	Number Slaughtered		Total Liveweight		Number Slaughtered		Total Liveweight	
	1955	1956	1955	1956	1955	1956	1955	1956
	<i>Thous. Head</i>		<i>Thous. Lbs.</i>		<i>Thous. Head</i>		<i>Thous. Lbs.</i>	
N. C.								
Cattle	16.0	13.5	11,784	10,440	104.9	97.6	80,267	76,743
Calves	6.5	5.9	1,238	1,102	42.5	37.9	7,734	7,129
Sheep & Lambs	.2	.2	17	17	.9	.9	75	72
Hogs	58.0	62.0	12,275	13,342	451.0	491.0	98,269	108,817
TOTAL	80.7	81.6	25,314	24,901	599.3	627.4	186,345	192,761
	<i>Million Head</i>		<i>Million Lbs.</i>		<i>Million Head</i>		<i>Million Lbs.</i>	
U. S.								
Cattle	2.4	2.4	2,245	2,202	16.8	17.5	15,666	16,819
Calves	1.1	1.1	257	271	8.0	7.9	1,724	1,757
Sheep & Lambs	1.4	1.4	130	131	10.6	10.6	1,030	1,019
Hogs	5.4	5.5	1,272	1,269	44.1	50.6	10,641	11,845
TOTAL	10.3	10.4	3,904	3,873	79.5	86.6	29,061	31,440

* Includes slaughter under Federal inspection and other wholesale and retail slaughter. Excludes farm slaughter.

N. C. SLAUGHTER *(Continued)*

the month totaled 150 million pounds, 14 percent above a month earlier and 5 percent above a year earlier.

August pork production totaled 721 million pounds, 1 percent less than the same month last year but 4 percent greater than July this year. The number of hogs killed in August was estimated at 5,525,000 head, 9 percent above the July kill of 5,070,000 head and 2 percent above the August 1955 kill of 5,422,600 head.

Mutton and lamb output in August totaled 62 million pounds, the same as August last year but 9 percent higher than July this year. Sheep and lamb slaughter totaled 1,427,000 head, 9 percent above the 1,314,300 head killed in July and 1 percent above the August 1955 number of 1,407,200 head.

Poultry slaughter during August totaled 441 million pounds, ready-to-cook basis. This was 20 percent above July, 24 percent above August last year, and 44 percent above the 10-year average for the month.

U. S. LIVESTOCK FEED PRICE RATIOS GENERALLY LESS FAVORABLE THAN A YEAR AGO

Livestock-feed price ratios were less favorable for hog and poultry producers in August than a year ago, but slightly more favorable for dairymen. While hog prices are a little higher, corn prices are up more. The mid-August U. S. average price of hogs per 100 pounds was equivalent to 11.2 bushels of corn compared with 12.1 last year and the 1935-54 August average of 13.1.

The average cost of poultry ration in August was 3 percent higher than a year earlier, while prices of eggs, chickens and turkeys were all lower, making the price ratios less favorable to poultry producers than a year earlier. The egg-feed price ratio averaged 10.1 compared with 11.1 last year and the 1945-54 average of 11.8. Prices of chickens and broilers have been considerably lower relative to feed this summer than last. The U. S. average price of farm chickens would buy 4.4 pounds of feed in August, only two-thirds as much as the average for 1945-54. The broiler feed price ratio in August dropped to 3.8, well below

the 5.4 last year and the lowest in the 4 years the ratio has been reported.

The mid-August milk-feed ratio, on the other hand, was slightly higher than a year earlier and also above the 1935-54 average. While the butterfat-feed price ratio was a little below average it was also slightly higher than a year ago.

The FEED SITUATION

U. S. LAMB PRICES ABOVE 1955

Slaughter of lambs has varied up and down from last year's level. For January-June the slaughter was only 2 percent less than a year before. The 1956 lamb crop is estimated as 1 percent greater than the 1955 crop, as slightly more ewes were on farms and the lambing percentage stayed at last year's record 95 percent. With the lamb crop differing so little, any change from 1955 in the supply of lambs for slaughter this fall will be directly related to changes in the number of lambs held for addition to flocks. Inasmuch as total returns from lambs and wool have increased recently, and an expansion is already underway in the East, prospects appear to favor some addition to herds and a small reduction in slaughter. However, no marked changes are likely.

Prices of lambs probably will decline seasonally and may hold at or a little above last year's prices. Improvement expected in meat animal prices generally, compared with depressed prices of last fall, is a chief reason for this prospect.

The LIVESTOCK and MEAT SITUATION

SEASONAL TRENDS IN U. S. CATTLE PRICES MAY RETURN NEAR TO NORMAL

Seasonal trends in prices of fed cattle have differed sharply from normal the last year or so. The usual seasonal swings in slaughter and prices were first delayed, then forced back to normal by expanded slaughter. The price advance this July conformed more closely to the usual pattern. Unless new disturbances occur, more nearly normal trends would seem likely for some time. Prices of high grade fed steers and heifers customarily decline from an early fall high to a spring low, and quite possibly could do so again this coming year.

The LIVESTOCK and MEAT SITUATION

FARM REPORT

Compiled by authority of
UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Agricultural Estimates Division
S. R. Newell, Director

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COMPARISON OF PRICES RECEIVED BY U. S. FARMERS AND PARITY PRICES

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES ^{1/}		AVERAGE PRICES AS PERCENTAGE OF PARITY	
	Aug. 15 1956	Sept. 15 1956	Aug. 15 1956	Sept. 15 1956	Aug. 15 1956	Sept. 15 1956
	<u>DOLLARS</u>	<u>DOLLARS</u>	<u>DOLLARS</u>	<u>DOLLARS</u>	<u>PERCENT</u>	<u>PERCENT</u>
Cotton, Lb.....	.3113	.3250	.3568	.3556	87	91
Wheat, Bu.....	1.93	1.95	2.43	2.44	79	80
Corn, Bu.....	1.45	1.43	1.77	1.78	82	80
Oats, Bu.....	.680	.681	.867	.864	78	79
Barley, Bu.....	.969	.959	1.36	1.35	71	71
Rye, Bu.....	1.13	1.20	1.70	1.70	66	71
Beef Cattle, Cwt.....	16.30	16.20	21.70	21.70	75	75
Hogs, Cwt.....	16.20	15.50	21.50	21.40	75	72
Lambs, Cwt.....	18.90	18.60	23.90	23.80	79	78
Chickens, All, Lb....	.187	.172	.288	.287	65	60
Eggs, Doz.....	.369	.386	.467	.465	73 ^{5/}	75 ^{5/}
Milk, Whlse. Cwt. ^{2/}	4.11 ^{3/}	4.30 ^{4/}	4.72	4.71	89 ^{5/}	89 ^{5/}

- ^{1/} Effective parity prices as computed currently in months indicated using base period prices and indexes then in effect.
^{2/} Estimated average price for the month for all milk sold at wholesale to plants and dealers.
^{3/} Revised.
^{4/} Preliminary.
^{5/} Percentage of seasonally adjusted prices to parity prices.